

Minutes of the Web Conference for the First Quarter of the Fiscal Year Ending March 31, 2021 (Main Q&As)

Date & Time: July 31, 2020 (Friday) 14:30-15:30

○Q&A○

Q1.

What is the outlook of Processed Foods Business Division?

A1.

- For the 1st quarter, sales of consumer products were strong nationwide, and sales of core brand products grew. After the 2nd quarter, growth in consumer products is expected to continue, but it will take some time for restaurant and other commercial-use products to recover due to the decline in sales.

Q2

When will the timing of synergy effects in Processed Foods Business Division's new structure?

A2.

- Starting from this fiscal year, we launched multiple projects and considering to realize synergies. Although various themes are under discussion over various time axis, the image is not that the effects will be realized immediately. Early effects may be realized during the current fiscal year, but most of them are considered to be for the next fiscal year or later.

Q3.

What is the outlook of Fresh Meats Business Division?

A3.

- In the manufacturing sector, domestic demand for pork and chicken is expected to remain strong due to the expansion of home meal demand, and prices is expected to remain firm. We will maintain the supply system capable of responding to steady demand mainly for pork and chicken.
- In the sales sector, sales of domestic branded fresh meats for volume retailers grew. After 2nd quarter, it is expected that sales to volume retailers will remain stable, but it will take some time for restaurants and other commercial-use products to recover due to a decline in sales.

Q4.

What is the outlook of Overseas Business Division?

- Australia's Beef business has been more stable as a result of internal improvements, and volatility has eased even in a difficult external environment. However, in the 2nd quarter market, it is expected that environments will remain difficult due to beef being shipped, which has a high procurement cost.
- In North America, sales of processed chicken products performed strongly due to the expansion of

home meal demand. It is unlikely that the trend will change significantly after 2nd quarter.

- In Uruguay, we intend to reduce volatility by reforming its management structure and promoting internal improvements, which are an issue.

Q5.

What is the forecasts for the second half of FY2021?

A5.

- The initial forecasts remain unchanged due to uncertainty about the second and third wave of the Covid-19 infections. We would like to review the forecasts at 2nd quarter settlement, including the profit or loss of baseball club.